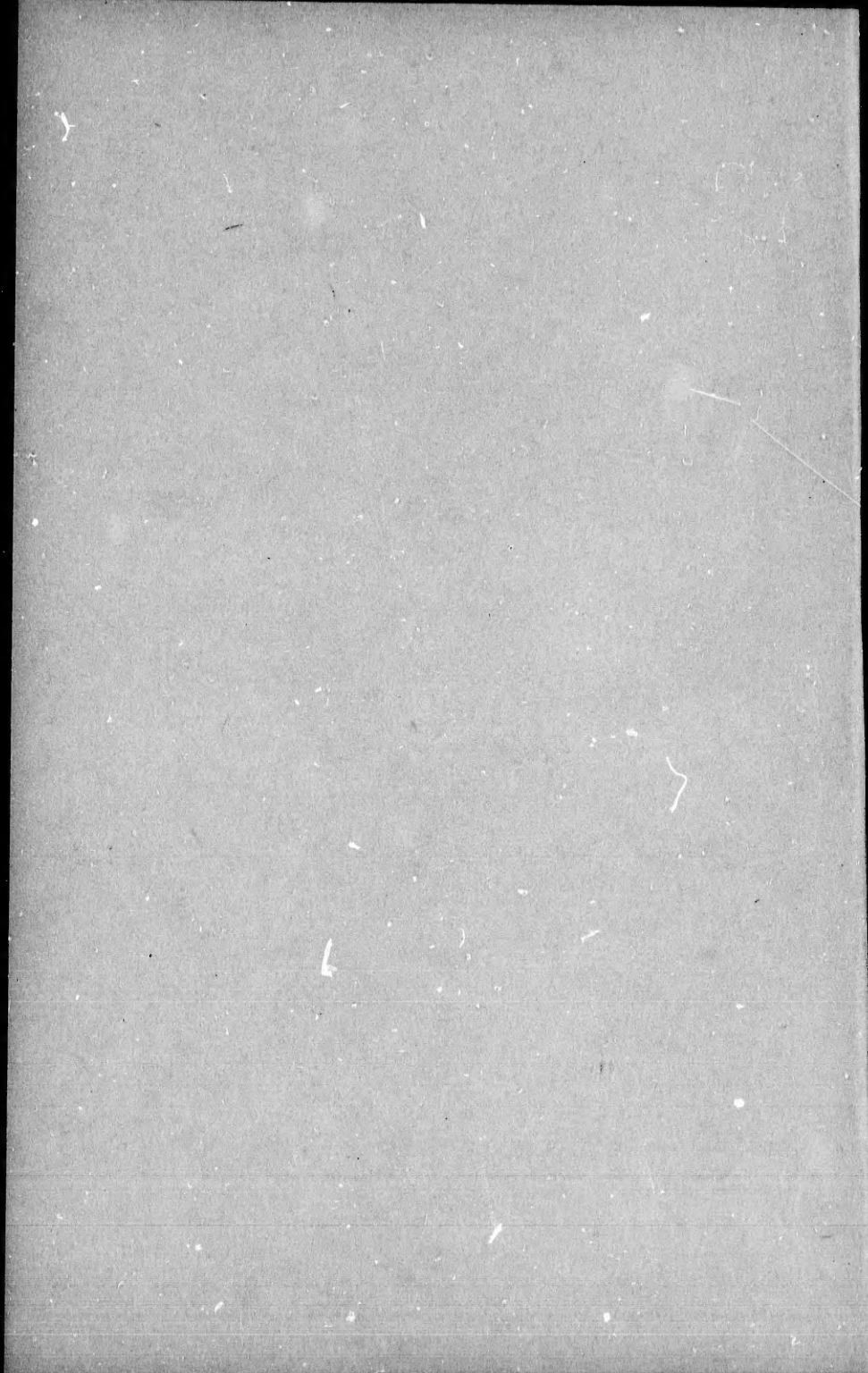




SPEECH

OF THE

HONORABLE D. H. McMILLAN,

TREASURER OF THE PROVINCE OF MANITOBA.

DELIVERED ON THE 19th FEBRUARY, 1890.

IN THE

LEGISLATIVE ASSEMBLY OF MANITOBA

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY.



WINNIPEG:

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HONORABLE D. H. McMILLAN.

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LEGISLATIVE ASSEMBLY OF MANITOBA



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FINANCIAL STATEMENT

OF THE

HONORABLE D. H. McMILLAN.

LEGISLATIVE ASSEMBLY,

WINNIPEG, Wednesday, 19th February, 1890.

HON. MR. McMILLAN spoke as follows :

MR. SPEAKER :—

In presenting the Annual Statement of the financial operations of the Province for the past year, which, is the duty of the Treasurer at each Session ; I desire to confine my remarks chiefly to the financial position of the Province, and to explanations of the Revenue and Expenditure for the past year, and Estimated Revenue and Expenditure for the coming year ; avoiding a custom, that has been frequently followed, of introducing the discussion of outside matters that have no direct bearing upon the financial affairs of the Province.

Fortunately for me, the duty before me is a much more pleasant one, or perhaps, I should say, less disagreeable, than that which fell to the lot of my immediate predecessor on the occasion of his delivering his first Budget Speech, he having had to deal with grave irregularities that had existed in the management of the affairs of the Province previous to the present Government taking office.

The statements made by the late Treasurer on that occasion regarding the financial condition in which the Treasury was found will doubtless be in the recollection of members of this House,

and I am equally fortunate over him in this respect, that, upon assuming the duties, I found the Department in a thoroughly efficient state, the books all written up, and business being conducted as promptly as in any business office of the Province.

But it was not only in finding the Department thoroughly organized and the details of office work systematically carried on, in which I was exceptionally fortunate; circumstances of still more vital financial importance had undergone a wonderful change since the time that the late Government went out of office and the Hon. Mr. Greenway was called upon to form a new administration, in which the Hon. Mr. Jones accepted the Treasurer's portfolio. That honorable gentleman on the occasion of making his first financial statement, told this House that he found the Treasury without a dollar; that cheques were issued for which there were no funds and no provision made to meet; that the subsidy of the Province for the current six months was hypothecated to the bank, and the credit of the Province at such a low ebb that he had to pledge his own personal credit for the securing of sufficient funds to meet immediate pressing claims, and stood facing the difficulty of borrowing money to meet the requirements of the Executive.

The great difference between the position in which I found the Treasury, to that in which my predecessor found it, lay in the state of the Exchequer and the financial position and standing of the Province. Instead of an empty Treasury, I found it well filled, with a large amount to the credit of the Province in the Bank; instead of having to face the difficulty of borrowing, my first duty was to lend money and to find a proper investment for the very considerable amount of funds for which the Government had no immediate use; instead of broken confidence and lack of credit, I found the credit of the Province firmly established in the money markets of the world, with our bonds quoted higher than at any time previous in the records of the Province.

That this very satisfactory change in the state of the financial affairs of the Province is due to the united efforts of the present Administration, I feel sure will be acknowledged by the members of this House and also by the people of Manitoba.

As an evidence that the efforts of this Government towards establishing the finances of the Province on a solid basis and to

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administer them in a careful and economical manner, as well as their management of other important matters with which they have had to deal, are appreciated by the people, I may be permitted to refer to the elections which have taken place to fill vacancies in the Government since the last Session of the Legislature about a year ago.

When I was called upon by the leader of the Government to occupy the responsible position of Treasurer of this Province, I accepted the position feeling confident that the administration of the affairs of the Province by his Government had been such as would secure from the constituency which I have the honor to represent in the Legislature, their approval of my action in accepting office in the Government.

Having been elected as a supporter of the general policy of the Government at the general elections only a few months before, I felt free to give them a hearty support in all their measures, with the exception of the first Northern Pacific contract. But although I did not agree with them on that, I could endorse the second contract which I believe has resulted in largely benefiting the Province notwithstanding the fact that the line is not yet completed; and I believe that the terms of that contract will compare most favorably with the conditions upon which like railway facilities have been secured by any Province in the Dominion of Canada. That I was justified in the expectation that my course in the Legislature would be approved and the policy of the Government sustained, was fully established, when, upon accepting office and appealing to my constituents for their approval of my action, I was returned by the largest constituency, the premier constituency of the Province, by acclamation.

The result of the second test of the policy of the Government was equally satisfactory in the return of the Hon. Provincial Secretary, also by acclamation.

Now, Mr. Speaker, in submitting the estimates for the current year to the consideration of the members, I do so with the fullest confidence that these estimates will meet with the approval of the House, and I base this confidence not only upon the satisfactory character of the estimates themselves, but upon the assurance which this House now has, that these estimates can be relied upon as representing the actual

requirements of the Province for the year, and that the expenditures will be strictly kept within the figures stated.

From the statement of the Public Accounts for the past year, copies of which have been printed and placed in the hands of every member of the House, an examination of the financial operations of the Province for the past year, as set forth in that statement, will show that the disposition of the grants authorized by this House last Session, have been entirely in accord with the estimates placed before the House on that occasion. The expenditures for the year have been kept strictly within the limits of the estimates in every particular, and we are now able to show from statements of actual transactions, that the financial policy advocated by the leader of this Government while in opposition, can be successfully carried out in practice, to the satisfaction of the House and with great benefit to the Province at large.

When the adoption of this system, for the conduct of Provincial business, was advocated by the Hon. Mr. Greenway, while in opposition, and the adoption of it urged upon the late Government, they treated it as an Utopian idea, quite beyond the range of practical working; claiming that it was an easy matter to estimate, but quite another thing to spend the money.

Now, a comparison of the estimates of last Session with the actual expenditures as shown in the Public Accounts, unquestionably proves that it is not only within the range of possibility, but that it is the only correct business principle upon which public business can be safely and satisfactorily conducted.

The principle embraced in responsible government, that all expenditures should be voted by the people's representatives, and not appropriated by the Government without legislative authority, is so important, that the fact of this Government having been able to administer the affairs of the Province for the past year, not only in the carrying on of Civil Government, but also by applying every dollar of the grants made directly to the people, to the purposes for which they were intended; that, in the Speech from the Throne the House is congratulated on the fact that no special warrants had been issued during the year. The reason for considering this a matter for special

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congratulation, lies in the fact, that it is a complete revolution of the system and practice that prevailed in this Province previous to the present Government coming into office. In fact it was an annual occurrence for the House to be told that special warrants had been issued for amounts ranging, in different years, from fifty thousand to seventy-five thousand dollars. But the most reprehensible feature of this system as practised by the late Government was this, that the amount by which they exceeded the legislative appropriation, was spent in "running the machine," and not for purposes of a direct benefit to the people. In many instances the appropriations placed in the estimates for objects of direct public benefit, were not spent at all in order that the Government could have the money to apply to the purpose for which the special warrants were issued. It is well known to members present that the late Government were unable to restrict their annual expenditure within the limits of the annual revenue of the Province; also that their estimated expenditures were invariably up to the full amount of estimated revenue for the year; consequently, as they increased the cost of Civil Government by special warrant, they endeavored to make a corresponding decrease in items of expenditure that had been passed in the estimates by the Legislature for objects of direct public benefit. For instance, in 1884 the estimates were exceeded by \$77,064.52! Was this large sum expended upon increased grants to Public Schools? Or upon additions made to estimates for Public Works? Not at all; on the contrary, of the amount voted by the Legislature in that year for purposes directly benefitting the people, \$94,023.87 was not expended. Of the amount voted for public buildings \$21,879.00 was not expended, and for drainage the amount voted was not expended by \$7,731.00. Of the \$45,000 then voted for aid to municipalities, only \$27,162.00 was expended upon the object for which it was voted, being \$17,838.00 held back and not used for the object upon which the Government had promised to expend it; while on the other hand the sum voted by the Legislature for printing was exceeded by \$14,656.00. Excess in expenditures over the estimates during the same year also occurred in the following: On delegation to Ottawa, \$3,752.00; on *Manitoba Gazette*, \$3,170.00; on Boundary Award, \$2,529.00; additional clerks, \$4,814.00; stationery, \$2,278.00; various items for Civil Government,

FINANCIAL STATEMENT OF

\$7,284.00. In 1886 the expenditures in excess of estimates amounted to \$100,319.00, and estimated but not expended, \$31,560.00. Then in 1887 the estimates were exceeded by \$66,679.65.

I might continue citing item after item all in the same direction, showing that the special warrants were invariably made for meeting increased expenditures in departmental expenses, and never for purposes that would directly benefit the people. The result of such a system of doing business is just the same in Governments as in mercantile institutions, a deficit; and that of the late Government at their retirement, was stated as amounting to \$315,000.00.

I would now, Mr. Speaker, place before you a statement of the financial operations for the past year and will first take up the Receipts for the year 1889, and will compare them with the Estimated Receipts for the same year :

REVENUE 1889—ORDINARY.

	Estimated.	Received.
Subsidy	\$ 435585 74	\$ 481091 72
Fines	2000 00	2395 25
Fees	500 00	796 25
County Court fees	3500 00	4638 05
Registry Office fees	1060 00	358 77
Land Titles Office, general fees	18000 00	19458 98
Marriage Licenses	1500 00	1258 00
Manitoba Gazette	4000 00	2568 84
Sale of Statutes	150 00	350 66
Law Stamps	10000 00	8705 78
Liquor Licenses	26000 00	26300 31
Private Bills	500 00	906 00
Provincial Lands	5500 00	1735 51
Keep of Lunatics	1000 00	1811 90
Refunds	2000 00	15560 47
Interest	28000 00	41696 06
R. R. V. R. interest account	18000 00	18000 00
Three per cent. gross earnings	6500 00	3985 73
Sundry Revenues	2000 00	2688 94
	\$ 565745 74	\$ 588795 22

REVENUE—EXTRAORDINARY.

Red River Valley Railway	720000 00	721408 28
Portage Extension	400000 00	377868 23
Total	\$1685745 74	\$1683068 73

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RECEIPTS ON ACCOUNTS.

Railway companies, interest account.....	\$ 23180 85
Loans to Municipalities, C. J. D., etc.....	8697 35
Land Titles, assurance fund.....	4560 41
Municipal Commission, Sinking Fund investment.....	11666 66
Railway companies—debenture account.....	7727 76
Court of Queen's Bench.....	44517 46
Other deposits in trust.....	681 33
Postage, 1888, general—accounted for.....	133 39

Total Receipts from all sources..... \$1784231 94

The Estimated Subsidy was \$435,595.74; that actually received was \$431,091.72, being under the estimate by \$4,504.02. This reduction was made by the Dominion Government on account of the cost of selecting swamp lands. The Manitoba Government believed this reduction to have been improperly made. The understanding of the agreement between the late Government and the Dominion Government with regard to these lands had been that the cost should be charged against this Government when the lands were handed over and vested in the Province. Now there had been no swamp lands received since Feb. 16th, 1888. Up to that time 113,220 acres had been received; since then there had been 271,000 acres reported as selected, but none had been transferred to the Province. To show that our contention in this matter is correct I will quote from a letter written by A. M. Burgess, Deputy Minister of the Interior, to the Honorable Messrs. LaRiviere and Harrison as representing this Province, dated December 9th, 1887:

"The selections (swamp lands) already reported by the Commissioners not having so far received the requisite sanction of His Excellency the Governor-General-in-Council, the Finance Department will be informed that the half-yearly payments to the Province on Subsidy Account will not be chargeable with the cost of making the selections until the lands have been vested in Her Majesty for the purposes of the Province, but that the deduction should be made from the payment falling due on the first day of January or the first day of July, as the case may be, next following the date of the Order-in-Council passed for the purpose of so vesting the lands in Her Majesty for the purposes of the Province."

The Dominion Government had also charged interest on these sums from the actual dates these payments had been

made up to the time the next half-yearly subsidy was payable, and they also invariably charged interest in a similar manner on all other charges they had against this Province, but when the balance of the account between the Province and the Dominion Government was on the other side, the latter took quite different treatment to themselves. An account for keeping lunatics, running from 1885 to 1887, amounting to \$14,266.28, was paid to the Province January 7th, 1888. The Dominion Government absolutely refused to pay a dollar of the item of interest on this account, amounting to \$899.54, which, with interest on following accounts, and compound interest down to January 1st, 1890, would amount to \$1,479.15, which as I have before stated they have absolutely refused to pay, notwithstanding they have charged interest on all their accounts against the Province.

From fines we received \$395.25 more than was estimated, mainly on account of enforcement of Liquor License Act; from fees we received \$296.25 more than was estimated; from County Court fees we estimated \$3,500.00, and received \$4,688.05, being over the amount estimated by \$1,188.05. From the Selkirk County Court we received \$2,869.85; from Portage la Prairie, \$445.60; Brandon, \$1,322.60; from general fees, Land Titles Offices, we received \$1,458.98 over the amount estimated. The revenue from the *Manitoba Gazette* was \$1,431.16 less than the estimate, the reason being that few tax sales were advertized during the year, and the French language had not been used to any extent. On account of Provincial Lands we received \$3,764.49 less than the amount estimated; the sum of \$5,000.00 which was included in the estimate as balance of proceeds of a certain piece of Main Street property, had not been received, but the receipts from other sources—principally hay permits and rents—were greater than was expected.

Under the head of Refunds, the estimate was exceeded by \$13,560.47. In explanation of this, I might say that the sum of \$13,879.47 was returned by the Catholic Section of the Board of Education. Previous to the change in the School Act in 1888, the Government Grant for School purposes had always been apportioned between the Protestant and Roman Catholic sections, placed in the banks to the credit of their respective superintendents, and paid out on the cheques of these superintendents. After the change in the Act the grant was

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payable, apportioned as before between the two Boards, placed to their credit in the accounts of the Provincial Treasurer, and was paid out on his cheques. Some time after this change was made, there was found to be still in the hands of the Superintendent of the Catholic Section of the Board the sum of \$13,879.47 after all claims had been paid. At the request of the Government, this sum was refunded by him to the Provincial Treasurer.

For interest, \$28,000.00 had been estimated, and \$41,696.06 received; the difference was partly on account of a larger sum remaining in the banks to the credit of the Government than had been anticipated, because the N. P. & M. R. Co. had not applied for their Railway Aid as soon as was expected, and partly from having received compound interest from the M. & N. W. R'y. Co., not included in the estimate. Our total Ordinary Receipts were \$583,795.22; the total estimated was \$565,745.74, so that our Ordinary Receipts have exceeded our estimates by \$18,049.48.

Under the head of Extraordinary Revenue, the Government had estimated to receive from the sale of the R. R. V. R. the sum of \$720,000.00, while the actual receipts were \$721,408.28; from Portage extension: Estimated, \$400,000; received, \$377,868.23—this being all that was expended on the road by the Government which was chargeable to the Company.

Under "Receipts on Accounts," the sum of \$23,180.85 was received from the Man. S. W. Col. R'y. Company, being interest upon the Railway Aid Bonds of the Province advanced to this company; Loans to Municipalities and to the Central Judicial District Board, had been refunded to the extent of \$8,697.35; of this amount the sum of \$3,936.96 was on account of Seed Grain Loans; \$11,666.66 was received from the Municipal Commissioner under an Act passed last Session, as an investment of Sinking Fund moneys in his hands; the sum of \$7,727.76 was received from the Man. S. W. Col. R'y. Company to release lands held as security for the Railway Aid Bonds of the Province advanced to them. The total receipts from all sources amounted to \$1,784,231.94.

I will now, Mr. Speaker, take up the Expenditure for the year, comparing it with the Estimates, and you will observe that in every instance the actual has been under the estimated expenditure.

EXPENDITURE, 1889—ORDINARY.

	Estimated.	Actual.	Expenditure under the Estimate.
Legislation	\$ 40125 00	\$ 36055 06	\$ 4069 94
Executive Council	5750 00	8705 68	2044 32
Provincial Treasurer's	16687 13	14635 59	2051 54
Provincial Secretary's	9125 00	8055 03	1069 97
Agriculture	43701 38	42783 14	918 24
Do Specially authorized— Marriage Licenses....	1875 00	1875 00	
Attorney-General's	84320 00	71194 10	13125 90
Do Specially authorized—Lists for Land Titles Offices.	1189 34	1189 34	
Provincial Lands	9100 00	2828 42	6271 58
Railway Commissioner	3550 00	779 02	2770 98
Public Works	73802 50	62218 45	11544 05
Municipal Commissioner	1325 00	1319 06	5 94
Special aid to Rural Municipali- ties	6500 00	3985 73	2514 27
Aid to Rural Municipalities	60000 00	59743 39	253 61
Interest on Bonds "E"	75600 00	75083 18	516 82
Education and University Grants ...	126000 00	125342 95	657 05
General Unforeseen	2000 00	2000 00	
Totals	\$ 560650 35	\$ 512796 14	\$ 47854 21

EXPENDITURE, 1889—OTHER THAN ORDINARY.

Interest on Prov'l Railway Aid Bonds—		
Man. & N. W. R'y., not repaid	\$ 39590 77	
Hudsons B. R'y. & S. Co., not repaid	12812 12	
Man. S. W. Col. R'y., \$23,170.85 re- paid	45243 09	
		\$ 97645 98
Half-Breed mortgages		10967 36
Loans—		
To Municipalities for seed grain....	65299 50	
To Emerson and Minnedosa	971 45	
To School Districts, on 6 per cent. debentures	22200 00	
		68470 95
Refunds of deposits re Liquor Licenses in disorganized municipalities	799 99	
Paid the orders of—		
Court of Queen's Bench in Equity..	22947 15	
Court of Queen's Bench, Common Law	6678 78	
		30420 87

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Railway Aid to the N. P. & M. R'y., at

\$1,750.00 per mile—

R. R. V. R., Main Line—68 miles.....	115500 00
Portage extension—52 miles.....	91000 00
Morris-Brandon Branch—120 miles..	210000 00

416500 00

Railway Construction—

R. R. V. R., Main Line.....	60782 28
Portage extension.....	101508 63
Morris-Brandon Branch.....	68404 77

290695 68

Public Institutions—

Reformatory and Home for Incur- ables.....	37529 71
Deaf and Dumb Institute.....	14478 67
Asylum for the Insane.....	5019 87
Land Titles Offices.....	19735 84

76763 59

Total.... \$ 951494 48

Ordinary Expenditure brought down.... 512796 14

Grand total.... \$ 1464290 57

For Legislation we estimated \$40,125.00, but had only expended \$36,055.06, an under expenditure of \$4,069.94, the saving being mainly effected in Salaries, Stationery and Printing. Under Executive Council we expended \$2,044.32 less than the estimate. In the Provincial Treasurer's Department we estimated \$16,687.13 and expended \$14,635.59, making a saving in this Department of \$2,051.54. Of this amount the sum of \$423.40 was the balance due the late Provincial Treasurer, Mr. Jones, on account of salary. Cheques had been made out to his order, but he refused to accept the amount because he had been absent from his office a short time before he resigned, and he felt that he was not entitled to accept the amount. This action will contrast favorably with the course of members of the late Government who overdrew their accounts before retiring from office.

In the Provincial Secretary's Department we estimated \$9,125.00 and actually expended \$8,055.08, being an under-expenditure of \$1,069.97. In the Department of Agriculture we estimated \$43,701.38 and expended \$42,783.14. In this Department the largest expenditure was \$12,167.84 on account of Immigration, while \$9,000 was given to Agricultural Societies; the Winnipeg General Hospital was given \$6,925.13

and the St. Boniface Hospital \$2,051.25; the Children's Home was paid \$250.00 on Maintenance account and \$500.00 on Building Fund account. The St. Boniface Orphanage was paid \$500.00.

In the Attorney-General's Department the sum of \$84,320.00 was estimated and \$71,194.10 expended, being an expenditure under the estimate of \$13,125.90. The saving was mainly in the Administration of Justice; amounting in this branch of the service alone to about \$7,600.00. There was also a saving in the Departmental salaries and expenses.

In the Provincial Lands Department the estimate was \$9,100.00 and expenditure \$2,828.42, an under-expenditure of \$6,271.58, the principal items of which are Expenses \$3,500.00, and taxes not required to be paid on Half-Breed Mortgage lands, \$2,800.00.

In the Railway Commissioner's Department \$3,500.00 was estimated and \$779.02 expended, an under-expenditure of \$2,770.98

In the Public Works Department the sum of \$73,802.50 was estimated and \$62,218.45 expended, being \$11,584.05 expended less than the amount estimated. This was partly a saving in Fuel and Asylum salaries and expenses. This Department has expended on Maintenance of Public Institutions \$18,763.68, on Maintenance of the Asylum for the Insane \$22,468.66, as well as large amounts on Bridges and Public Works, Drainage, Colonization, Roads and Additions and Repairs to Buildings. Under Special Aid to Rural Municipalities, while the estimate was \$6,500.00 we only expended \$3,985.73, as that was all the Province had received from the Railway Companies as 3 per cent. Gross Earnings and which was distributed to the Municipalities which were prevented from taxing the Railway lands under the provisions of the Railway Aid Act of 1885. Sixty thousand dollars was estimated for Aid to Rural Municipalities and \$59,746.39 was paid. On the estimate of \$75,600.00 for payment of the Interest on Bonds "E" of the Province, a saving of \$516.82 was effected, which was owing to the favorable rate of exchange obtained when transmitting the money. For Education and University Grants we estimated \$126,000.00 and expended \$125,842.95. Out of this amount we have paid the Public Schools of the Province \$120,000.00, University \$2,000.00, and cost of selecting University Lands \$3,342.95.

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The total Ordinary Expenditure for the year was \$512,796.14 which was less than the amount voted by the sum of \$47,854.21.

The total Ordinary Receipts for the year was.....\$583795 22

The total Ordinary Expenditure under the estimates
has been..... 512796 14

Or our Ordinary Receipts for the past year have
exceeded our Ordinary Expenditure by..... \$70999 08

With regard to payments other than Ordinary ; on account of the Man. N. W. Ry. Co. we have paid during the year, interest upon their Railway Aid Bonds the sum of \$89,590.77, which has not been repaid. The total amount paid by the Government to date on account of this Company is \$149,431.71 and of this \$9,646.03 is all that has been repaid so that the Company still owe the Government at December 31st, 1889, \$139,785.68 on Interest account. On account of Hudson's Bay Railway interest on bonds, we have paid \$12,812.12. The total amount paid by the Government to date on account of this Company is \$38,440.24, of which nothing has been repaid. For Interest on Railway Aid Bonds to the Man. S. W. Col. Ry. Co. we paid \$45,243.09, of which \$23,170.85 was repaid within the year and the balance has since been received, so that this Company is the only one aided which has met the interest upon the Bonds of the Province advanced as Railway Aid. As Loans to Municipalities on account of the purchase of Seed Grain we paid \$65,299.50. Thirty-one Municipalities took advantage of these loans, the largest amount being \$5,000.00 paid to Medora and the smallest amount being \$75.00 to Turtle Mountain. The Government agreed to extend the time of repayment of some of these loans for one year, provided the interest for the past year would be paid. The Government also paid \$22,200.00 for School Debentures. This was an investment of the Land Titles Assurance Fund and the Municipal Commissioners Sinking Fund. Having these funds to invest we found that we could safely and profitably use them in purchasing these School Debentures, obtaining a better rate of interest than we could from the Banks, at the same time affording the School Districts better terms than they had been previously obtaining. The rate of interest charged Municipalities and School Districts was six per cent. without any additional expense to them. It will be

noticed from the statement that payments have been made for Railway Aid to the N. P. & M. Ry. Co. on the R. R. V. 66 miles at \$1,750.00 per mile, \$115,500.00 on the Portage Extension, 52 miles; \$91,000.00 on the Morris and Brandon Branch, 120 miles, \$210,000.00, in all \$416,500.00. For Railway Construction there had been expended on the R. R. V. R. \$60,782.28, on the Portage Extension \$101,508.63, on Bridges over the Assiniboine at Portage la Prairie and Winnipeg \$68,404.77, or a total of \$230,695.68. On Public Institutions there was expended on sites and building Reformatory and Home for Incurables \$37,529.71. The amount in the estimates for this purpose was \$50,000.00, but the buildings are not yet finished. On the Institute for the Deaf and Dumb we have already expended \$14,478.68; the estimate was \$20,000.00. On the Asylum for the Insane we expended \$5,019.37. On Land Titles Offices \$19,735.84 was expended. Altogether there had been expended for buildings in the Province during the year the sum of \$76,768.59.

The total Expenditure for the year was: Ordinary, \$512,796.14, and for Public Buildings, Railway Aid, Railway Construction and other Statutory payments, \$951,494.43; making a total expenditure for the year of \$1,464,290.57.

By reference to the Public Accounts for last year it will be found that at December 31st, 1888, there was \$434,342.07 of Cash on hand. The gross revenue for 1889 was \$1,784,231.94, the gross expenditure for 1889 was \$1,464,290.57, which left a credit balance on the year's transactions of \$319,941.37, which added to the cash on hand at December 31st, 1888, gives a total of Cash on hand at December 31st, 1889, of \$754,283.44.

The disposition of the Cash on hand at December 31st, 1889, was as follows:

In Bank of Ottawa.....	\$509972 60
In Commercial Bank	25881 50
In Imperial Bank	215718 71
Cash in hand.....	3401 28
Total.....	\$754424 04
Less Merchants Bank overdraft (apparent).....	140 60
	\$754288 44

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The Cash on hand at 8 p. m. to-day (Feb. 19th, 1890) is considerably larger than on December 31st, 1889, as the subsidy for the six months has since been received. The amounts now in the various banks are as follows :

Bank of Ottawa.....	\$509972 60
Imperial Bank.....	447385 71
Commercial Bank.....	25331 50
Cash in hand.....	2988 06
	\$985627 87
Less overdraft on Merchants Bank	140 60

Total cash..... \$985487 27

\$895,088.63 of this amount was bearing interest at four per cent., and \$87,601.18 at three per cent.

Now, I will refer to the disposition which was made of the proceeds of the sale of Debentures Series "E." This was the issue made by this Government in May, 1888, shortly after assuming office. The total issue was \$1,500,000.00, bearing interest at five per cent. per annum, and the total amount realized from this sale was \$1,544,325.45. Out of this could properly be paid the following expenditures which have been made during the years 1888 and 1889 : Deficit or shortage at January 16th, 1888, when the late Government resigned office, which was stated as amounting to \$315,000.00 ; payments on account of Half-Breed Mortgages, and interest on Railway Aid Bonds not since repaid, amounting to \$146,013.00, which, although disbursements, are really investments bearing interest ; cost of two bridges over the Assiniboine, and Railway Aid to the N. P. & M. Railway, \$488,261.90 ; Buildings (Deaf and Dumb Institute, Reformatory, Home for Incurables, Land Titles Offices, Asylum, and Vaults,) \$103,600.00, making a total of \$1,052,874.90. As I have stated, this amount could very properly be paid out of the proceeds of the bonds, but as we were enabled to make considerable saving between the Ordinary Revenue and Ordinary Expenditure, a portion of these expenditures were derived from that source.

Having presented to the House a statement of the expenditure for the past year, and as it was the first full fiscal year

since the present Government came into office, I think it would not be out of place to make a comparison between the expenditures of this year with the expenditures made during the two last full years in which the late Government held office. The change of Government took place in January, 1888. At that time the fiscal year terminated on the 30th June, and as that year was partly under the late, and partly under the present Government, it cannot be used for purposes of comparison. The present Government changed the fiscal year to correspond with the calendar year, the last half of 1888 being made a fiscal half year. In making this comparison, I would accept the classification made by the late Provincial Treasurer—Hon. Mr. Jones—dividing the expenditure under the three heads of Civil Government, Public Service, and Miscellaneous. I would first compare the expenditure under Civil Government, showing the saving which has been effected by the present Government in the cost of "running the machine":

	1886	1887	1889
LEGISLATION	\$ 66,794 60	\$ 72,016 33	\$ 36,055 06
In favor of 1889.....	81,558 98	85,961 27	
EXECUTIVE COUNCIL.....	2,760 81	19,242 27	8,705 68
In favor of 1889.....		15,586 59	
TREASURY	17,128 39	11,901 30	6,545 79
In favor of 1889.....	10,582 60	5,355 51	
PROVINCIAL SECRETARY.....	18,400 78	17,871 30	8,055 03
In favor of 1889.....	5,345 75	9,816 27	
AGRICULTURE AND IMMIGRATION....	22,570 62	19,107 63	9,713 11
In favor of 1889.....	12,857 51	9,394 52	
ATTORNEY-GENERAL	64,154 88	84,324 48	48,513 98
In favor of 1889.....	15,640 90	35,810 50	
LAND DEPARTMENT.....			600 00
RAILWAY COMMISSIONER'S DEP'T.....			779 02
PUBLIC WORKS DEPARTMENT.....	35,115 85	35,265 51	23,905 14
In favor of 1889.....	11,210 71	11,360 37	
MUNICIPAL COMMISSION.....			1,319 06
	\$ 221,925 98	\$ 359,728 82	\$ 189,191 87
Total in favor of 1889.....	82,784 00	120,536 95	

On Legislation the late Government had expended \$66,794.60 in the year ending 30th of June, 1886; for the year ending 30th of June, 1887, \$72,016.33; while this Government have expended during the year ending 31st of December, 1889, only \$36,055.06, showing a saving, as compared with 1886, of

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\$31,558.98, and as compared with 1887, of \$35,961.27. For printing, on account of Legislation, the late Government spent, in 1886, \$28,052.84; in 1887, \$30,176.85; while in 1889 all this Government spent was \$6,162.63, making a saving in the item of printing in this department alone, as compared with 1886, of \$21,790.21, and as compared with 1887, of \$24,014.22. The total cost to the late Government, in 1886, for printing and advertising, in all the departments, was \$35,885.05; in 1887, \$40,327.60; while the total cost to the present Government in 1889 was only \$11,506.52, being a saving in 1889 over 1887 of \$28,821.08. The total cost to the late Government for printing, stationery, and advertising in 1887 was \$60,699.54, and to the present Government, in 1889, \$14,596.53, or a saving of \$46,103.01; and yet, Mr. Speaker, some people are surprised that the present Government are not so popular with certain printing establishments as their predecessors. In Executive Council, the late Government expended, in 1886, \$2,760.81; in 1887, \$19,242.27; while the present Government expended, in 1889, only \$3,705.68. The increased expenditure, under this head in 1887, was on account of the general election held in that year. In 1888 the present Government held a general election at a cost of \$7,841.89. In the Treasury Department the late Government, in 1886, spent \$17,128.39, and in 1887, \$11,901.30. The present Government conducted this Department during 1889 at a cost of \$6,545.79, or a saving over 1886 of \$10,582.60 and over 1887 of \$5,355.51. In the Provincial Secretary's Department in 1886 the late Government spent in Salaries alone \$7,900.00, in 1887 \$8,030.32, while in 1889 the present Government spent for Salaries \$5,924.75. All together this Department has made a saving over 1886 of \$5,345.75 and over 1887 of \$9,816.27. In the Department of Agriculture, the amount spent in 1886 was \$22,570.62, in 1887 \$19,107.63, while in 1889 \$9,713.11 was expended, showing a saving of \$12,857.51 over 1886 and \$9,394.52 over 1887. In the Attorney-General's Department the expenditure for Civil Government was, in 1886 \$64,154.88, in 1887 \$84,324.48, in 1889 \$48,513.98, or a difference in favor of 1889 over 1886 of \$15,640.90, and over 1887 of \$35,810.50. In the Public Works Department the expenditure in 1886 was \$35,115.85, in 1887 \$35,265.51, and in 1889 \$23,905.14, or \$11,210.71 less than in 1886, and \$11,360.37 less than in 1887. While the leader of the present Government was in Opposition,

he repeatedly charged the late Government with gross extravagance in the expenditures for Civil Government and claimed that the Government should be maintained and with greater efficiency for at least \$50,000.00 less than was then being spent. Of course this was denied, and Mr. Greenway was told that he did not know what he was talking about. Well, Mr. Speaker, as I glance at the figures before me, I almost come to the conclusion that the Hon. gentleman did not know what he was talking about—that he was not aware of one-half of the waste of the public funds that was going on. Instead of being able to accomplish a saving of only \$50,000.00 as he had claimed could be done, he has actually effected a saving as compared with 1887, of \$120,536.95 and as compared with 1886, a saving of \$82,784.06.

Now, by a glance at the amounts which have been spent on Public Service or in grants which directly benefit the people, it will be observed that the saving effected by the present administration on Civil Government has enabled us to greatly increase the grants going directly to the public. In 1886 the Government spent in Public Service \$159,504.74, in 1887, \$185,111.39, while in 1889 the expenditure amounted to \$258,930.52, shewing an increase in grants under this head of \$94,425.78 over 1886, and \$68,819.13 over 1887. In 1886 the Public Schools of the Province received aid to the extent of \$60,000.00, in 1887 \$65,000.00, but in 1889 they were aided to the extent of \$120,000.00—double the amount they were receiving from the former Government. In each of the years, 1886 and 1887, the Manitoba University received a grant of \$1,000.00, but in 1889 they received \$5,342.95. In 1886, \$27,589.15 was spent for Drainage, in 1887 \$23,452.96, and in 1889, \$2,670.42; in 1886 \$9,127.45 was spent on Bridges and Public Works, in 1887, \$17,752.70, and in 1889, \$5,182.96; while \$1,001.50 was given as Aid to Municipalities in 1886, nothing in 1887, but in 1889 the Municipalities of the Province were paid \$59,746.39. On Immigration the amount expended in 1886, was \$2,195.60; in 1887, \$5,248.94, and in 1889, \$12,167.84. Under Miscellaneous Expenditure—including Half-Breed Mortgages, Interest, Introduction of Torrens System of Land Titles, Buildings such as Land Titles Offices, Reformatory, Home for Incurables, Deaf and Dumb Institute, Vaults, Asylum, etc.—the expenditures were in 1886, \$110,333.78; in 1887, \$109,722.82, and in 1889,

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\$196,437.84; the increase being mainly on account of construction of the Buildings mentioned.

In consideration of the very highly satisfactory showing of these comparative statements, what are we to think of the men who accomplished such results?

I feel free to express my opinion in this matter, as I claim no credit for myself, not having been a member of the Government at the time when these financial reforms were inaugurated. These men have been charged by a prominent organ of this city as unscrupulous, unprincipled boodlers, who were ready to sacrifice all or any public interest in order to promote their own personal aggrandisement.

Here, in the statements I have laid before you we have the record of their work! Does it bear out such a construction?

On the contrary, do not these statements give the clearest evidence that the affairs of this Province are in the hands of shrewd business men who have been quick to discern and prompt to correct errors in administration; men who have been true to their pledges and promises; possessing the ability and determination to redeem those pledges; strictly economical in all expenditures; men whose motive and highest aim has been to advance the interests of the country, the welfare of the people, and place the Province of Manitoba on record as the most desirable point for intending settlers?

And I feel satisfied that when the evidence now placed before this House is laid before the country, that the electorate of the Province of Manitoba will give their emphatic endorsement to the policy and practice which this Government has pursued.

It will be seen that the largest item of expenditure was made on account of railway aid to the N. P. & M. R. Co., and in regard to this I desire to offer some statements to show that this expenditure was a profitable one for the Province, and more especially as one or two members of the Opposition have on several occasions during the session, in referring to this matter, asserted that the advent of the N. P. & M. R. has not had the effect of reducing rates nor of affording any railway competition in the Province.

The Hon. member for Cypress, in referring to this matter a day or two ago, stated that the maximum rate on grain guaranteed by the N. P. & M. R. was of no value to the

Province, as it did not secure any reduction in rates. In quoting the terms of the guarantee the Hon. member stated that they were, "that the N. P. & M. R. should not charge more for hauling grain to Duluth than the C. P. R. charged for hauling grain to Port Arthur." The guarantee did contain this provision; but it also contained something more, namely, that the rates charged on grain from various points throughout this Province to Duluth should not exceed 21 cents per 100 lbs., which was 3 cents per 100 lbs. less than the C. P. R. tariff! When Hon. members attempt to quote documentary statements they only weaken their case by presenting them in such a mutilated form. To show that the effect of this bargain was to immediately reduce the rates on grain by 3 cents per 100 lbs., I would mention that it has been the custom of the C. P. R. to issue a grain tariff at the beginning of the grain season, which was maintained without change throughout the year; and very properly so, for if the company was to issue one tariff at the opening of the season, and afterwards lower it when the season had advanced, and a large portion of the grain had passed out of the hands of the farmers into the elevators of the dealers, then it would be the grain dealer who would be benefitted by the reduction and not the producer. But, as I stated, this has never been done by the company. Following out their usual practice, the C. P. R. issued on the 1st of September, 1888, their grain tariff for the year, and in nineteen days afterwards that company issued another tariff which corresponded almost with the rates guaranteed by the N. P. & M. R. contract as set forth in the letter containing the maximum rates, and from which the Hon. member for Cypress quoted; and I cannot agree with the Hon. gentleman in supposing that the C. P. R. was under the management of men so vacillating in character as to be uncertain, for nineteen days after the grain season had opened, regarding the very important matter of freight rates on grain for the season. I would rather believe that, having issued their tariff and afterwards learning the terms of the N. P. & M. R. contract, like shrewd business men, they promptly issued a new and reduced tariff, by which they doubtless expected to get the credit for being the first to reduce rates.

It now comes in order for me to show the actual benefit which this reduction of 3 cents per 100 lbs. will be on the crop which we have good reason to expect will be exported from

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this country from the harvest of this year; and I submit as a basis of calculation that it is safe to estimate that the increase in the acreage to be placed under wheat crops this year will be 25 per cent. greater than in 1889.

The area under cultivation has increased at the rate of 25 per cent. in each of the two past years, and from all reports received of the new land broken last summer we may expect that the same rate of progress was made in 1889; we may therefore safely assume the area of land under wheat crop for 1890 at 775,000 acres; which should give, with an average yield, not less than 15,000,000 bushels of wheat for export. Then the reduction of 3 cents per 100 lbs. on this quantity of wheat would be a saving of \$270,000.00 to the farmers of this country. This may seem a trivial matter to the one or two Hon. members who adversely criticised the maximum rate, but will be considered by the thrifty Manitoba farmer as a very material saving in the Provincial household. In this calculation I have not included the millions of bushels of Oats, Barley and other grains similarly affected by the reduced rates, which if included would swell the total amount to a very large sum saved to the Province by this first fruit of the railway competition secured by the N. P. & M. R. contract.

The Honorable member for Cypress is reported as having stated to the House a few days ago, that even on the basis of the 1887 crop the entrance of the N. P. & M. R. would not have effected a saving of \$20,000.00 to the farmers of this Province. It is well known that in that year we exported from this Province 10,500,000 bushels of wheat which at the reduction of 3 cents per 100 lbs. guaranteed us by the N. P. & M. R. contract would mean a saving to the farmers of fully \$189,000.00! And I am very much surprised that the Hon. gentleman should make statements so evidently at variance with facts on a matter of such simple calculation, and would suggest to the Hon. gentleman that he would not impair his influence with this Legislature if he would spend more time in verifying his statistics and less time on his feet on the floor of the House while it is in Session.

The saving we will effect this year (by the reduction in freight rates) on the crop I have just estimated, will pay the bonus to the N. P. & M. R. for eight years to come, and such a saving repeated for three years would more than pay the entire bonus.

Now, Mr. Speaker, I have shown the saving on the estimated crop of 1890, and desire further to show the actual saving to one small district of this Province on the crop of last season, I refer to the Portage Plains, which includes High Bluff, Macdonald and the Portage. The quantity to be exported from this locality from the crop of 1889 will be about 1,200,000 bushels of wheat; the reduction of 3 cents per 100 lbs. on freight, effects a saving to this district of \$21,600.00, being equal to two-thirds of the annual interest on the entire bonus given to the N. P. & M. R.

But, the reduction upon freight rates on wheat exported is only one source of the saving effected to the country through the introduction of the N. P. & M. R. There has been a considerable reduction made on freight rates upon incoming merchandise. Prior to the entrance of the competing line, the rate which the C. P. R. charged upon first-class freight from Montreal and Toronto to Winnipeg by the Lake and Rail route was \$1.82 per 100 lbs., this same class of freight is now carried by the C. P. R. from the same points at a rate of \$1.66 per 100 lbs., or 16 cents per 100 lbs. less than the rate which obtained before the introduction of N. P. & M. R. I have only cited the difference on first-class freight; but all classes of freight share in the reduction in a proportionate rate. The average reduction, taking all classes of freight into consideration, will be about 10 cents per 100 lbs. When it is borne in mind that the great bulk of incoming freight is by the Lake and Rail route, the immense saving to Manitoba by this reduction in rates can be better understood and appreciated. The rates quoted are from the published tariffs, but I am given to understand by those engaged in business, that even better rates can be made than those scheduled, and that advantages in classification and other ways were now obtained that were not before available.

At least one important opposition organ has zealously striven to create the impression that the reduction in import rates had benefited the Manitoba dealers only, implying that they pocket the whole amount of the reduction; the absurdity of this contention is apparent to every man in Manitoba who has the least information as to the keen competition existing between Eastern and Manitoba wholesale houses; if the Manitoba firms retained the margin of difference in freights while the Eastern dealers

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held only to their usual margin of profit, the latter would ere this have taken over the entire business, for it is a notorious fact that an extreme keenness in competition exists. In thus slandering Manitoba dealers, the opponents of the Government have overshot the mark.

It is unfortunate that statistics showing weight of merchandise brought into this Province cannot be obtained, as thereby the immense saving to the Province, through the reduction in import rates, would be made more apparent.

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And again, Mr. Speaker, the benefits secured through the reduction on export and import freight rates are probably even exceeded in the advantages obtained through increased railway facilities. For a bonus of a little over \$600,000.00 we have secured the construction of 432 miles of railway, embracing the construction of the R. R. V. R., the Portage extension, the Morris-Brandon branch, and the C. P. R. branch from Kenmay to Melita. The latter line I include, as its construction was forced through the construction of the other lines; this is evident from a statement in Mr. Van Horne's annual report for the year 1888, in which he says: "The country along the "Souris River is already well settled, and is suffering for "want of railway facilities; and the early construction of the "line is necessary, besides, for the protection of your interests "in South-Western Manitoba."

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The returns to the Department of Agriculture show that over 100,000 acres are under cultivation within ten miles distance of the C. P. R. branch line from Kenmay to Melita, and even a greater area within the same distance of the N. P. & M. Morris-Brandon branch; by the construction of these lines the farmers in that section will not have to haul their grain half the distance which they had to do before they were afforded these railway facilities. From a careful calculation, I have estimated that a saving of \$75,000.00 will be made in the marketing of the products of every 100,000 acres. The shorter haul will have the further advantage of enabling farmers to market their grain early in the season, before the close of navigation, when they can get the benefit of summer freight rates and save costs of elevator storage, interest and insurance involved in carrying grain through the winter season.

It is also worthy of notice that a considerable reduction has been made in local freight rates, averaging about 20 per cent.,

and every prospect of still further reductions. I need not enter into details regarding the benefits of these, nor of the \$2,000,000.00 spent already during the year upon constructions in this city and Province.

As I have already stated, some members of the Opposition have taken special delight in attacking the N. P. & M. R. contract, and in parading the charge that it is not making the reduction in rates which we would expect from a road so substantially bonused.

I submit, Mr. Speaker, that we have a right to expect advantages from enterprises of this kind that are subsidized by public funds; and in estimating the benefits which the Province is fairly entitled to expect from a subsidized line of railway, it surely is but right to take into consideration the amount of subsidy or bonus granted to such lines, subject, of course, to differences in cost of construction. Following such a line of argument, I desire to call the attention of the House to a comparative statement of bonuses granted to the various lines constructed within the Province. I will not refer to the main line of the C. P. R., as it is a trans-continental road which may be taken as a reason for more largely subsidizing it. The roads I would compare are those entirely within the Province: The N. P. & M. R.; the Manitoba and Northwestern and the C. P. R. Southwestern.

The bonuses voted by this House to the N. P. & M. R. were \$1,750.00 per mile on the R. R. V. R., the Portage extension and the Morris-Brandon branches; and \$1,500.00 per mile on the Souris branch.

The Manitoba Northwestern received from the Dominion Government a grant of 6,400 acres of land per mile of railroad; averaging this land at the very low average of \$2.00 per acre, would make a grant equal to \$12,800.00 per mile; but in addition to this, the company received from municipalities bonuses amounting to \$266,000.00; dividing this over the mileage within the Province (which is 168 miles) gives \$1,582.00 per mile; adding this to the land grant shows a total bonus of \$14,382.00 per mile.

The C. P. R. Southwestern received a subsidy of 6,400 acres per mile on their line in Southern Manitoba, and as to the value

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not enter of these lands I would again quote from Mr. Van Horne's
 r of the annual report for the year 1888. He says: "The Company
 structions "holds 1,309,424 acres of land in Southern Manitoba which
 "came to it through the purchase of the Manitoba Southwestern
 "Railway. These lands are among the best and most available
 "in the Northwest, and at the average of the sales last year—
 " \$4.54 per acre—their value is \$5,944,785.00." Taking this
 land then, at the valuation which the Company's President puts
 upon it, namely, \$4.50 per acre, makes their subsidy equal to
 a bonus of \$29,056.00 per mile.

to expect The number of acres which the Company acknowledges
 idized by having acquired and still held by them as a bonus to the
 Province Southwestern is 1,309,424 acres, which, at 6,400 acres per mile,
 railway, it would be the bonus for 204 miles of road. As there are no
 amount of special differences in cost of construction to be taken into
 course, to account, the amounts paid these respective companies as a
 a line of bonus for the construction of 204 miles of road are as follows:

N. P. & M. R. bonus on 204 miles of road...	\$ 357,000.00
M. & N. W. R. bonus on 204 miles of road...	2,933,928.00
M. S. W. R. bonus on 204 miles of road...	5,927,424.00

: The N. Comment upon these figures is unnecessary; but as we
 e C. P. R. have heard so much about the annual interest on the N. P. &
 M. R. bonus, I will give you a comparative statement in that
 form:

The N. P. & M. R. bonus of \$357,000 at 5 per	
cent. equals an annual bonus of.....	\$ 17,850 00
The M. & N. W. R. bonus of \$2,933,928 at 5 per	
cent. equals an annual bonus of.....	146,696 40
The Man. S. W. R. bonus of \$5,927,424 at five per	
cent. equals an annual bonus of.....	296,371 20

It will thus be seen that the Man. Northwest bonus is eight
 times greater than that of the N. P. & M. R., and that the C.
 P. R. Southwestern is sixteen times greater.

In the light of these statements, it is difficult to understand
 how Opposition members can persistently assail the terms of
 the N. P. & M. R. contract on the ground of inadequate

advantages, unless it is on the principle that to whom least is given most shall be required.

I wish it to be understood, Mr. Speaker, that these comparative statements are not made with any view towards finding fault with the C. P. R. It is a great and progressive corporation; they have successfully pushed through this continent a line of railway which is a national monument to the energy of the company and the enterprise of the Dominion. If the carrying rates of the Company have appeared excessive, they are probably just what any corporation, enjoying a monopoly, would have charged.

I will now submit the Estimated Expenditure for the year 1890, giving a Statement showing amounts Estimated for 1890 and amounts Expended in 1889:

ORDINARY.

	Estimated 1890.	Expended 1889.
Legislation	\$ 42700 00	\$ 36055 06
Executive Council.....	5850 50	3705 68
Treasury	15620 00	14635 59
Provincial Secretary	8450 00	8055 03
Agriculture and Immigration	58916 26	44658 14
Attorney-General.....	127300 00	72383 44
Provincial lands.....	7100 00	2828 42
Railway Commissioner.....	76500 00	779 02
Public Works.....	219310 00	202714 16
Municipal Commissioner.....	1325 00	1319 06
Department of Education.....	120000 00	125342 95
General Unforeseen.....	4000 00	2000 00
Total.....	\$686571 26	\$514476 55

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	Estimated 1890.	Expended 1889.
TREASURY DEPARTMENT—		
Interest on debentures "E".....	\$ 75600 00	\$ 75083 18
Half-Breed Mortgages	15000 00	10997 36
RY. COMMISSIONER'S DEPARTMENT—		
Interest	98550 00	97645 98
Railway construction, R. R. V. R.	56000 00	230695 68
Railway Aid—Souris Extension..	163750 00	416500 00
	\$408900 00	\$830922 20
Loans to Municipalities, Court of Queen's Bench and others.....		118891 82
Total.....		\$949814 02

For Legislation we have asked for a vote of \$42,700.00. Last year \$36,055.06 had been expended. An increase of \$50.00 each had been made to the indemnity of members making the amount \$600.00. For Executive Council, \$5,350.00; last year we expended \$3,705.68; for the Treasury, \$15,620.00, against \$14,635.59 expended last year; for Provincial Secretary, \$8,450.00, against \$8,055.03 last year. For Agriculture and Immigration a vote of \$58,916.26, against \$44,658.14 last year. The increase would mainly go in Immigration work. Last year \$12,167.84 had been spent in this manner, and the result had been so satisfactory that it had been decided to increase the amount by \$8,000.00 and make it \$20,000.00. The grant for Diseases of Animals was \$3,000.00, an increase of \$1,000; and for the Collection of Exhibits, \$1,000.00, an increase of \$400.00. The grant for the Attorney-General's Department was \$127,300.00, against \$72,383.44 last year. Most of this increase is for Land Titles Offices. There was an estimated expenditure on them of \$57,900.00, against some \$19,000.00 last year. For the Winnipeg office there was an estimate of \$23,200.00; for Portage la Prairie office, \$11,250.00; for Brandon of \$11,050.00, and

for Morden \$8,700.00. The estimate for the Provincial Lands Department was \$7,100, against an expenditure last year of \$2,828.42. In the Railway Commissioner's Department a grant of \$76,500.00 was asked, against an expenditure of \$779.02 last year. This increase was for the purpose of putting the Hudson Bay Railway into such a condition that it would be possible to get the land grant as security for the \$256,000.00 of Provincial bonds, which, as the member for Cypress said, had been illegally handed over to the promoters of the road by the late Government. It was estimated that it would take about \$75,000.00 to do this, and the reason why it had not been done ere this was that they had not been able to secure from the Dominion Government a promise that if the road was brought up to the standard required by the Act the land grant would be handed over. The Government did not propose to spend this money until they were sure that they would get some benefit from the investment. The estimate for Public Works was \$219,310.00, as against \$202,714.16 last year. The increase included \$650.00 for improvements to the Winnipeg Court House, \$1,000.00 for the beautifying of the grounds surrounding the Legislative Buildings, but the bulk of the increase was involved by the erection of the Reformatory, the Deaf and Dumb Institute and the Home for Incurables. Buildings in connection with the Asylum this year would cost \$6,850.00. An estimate was made in 1889 of \$3,000.00 for a Superintendent's residence, but the sum was found too small, and the larger amount was asked for.

As the Province increases in population we will no doubt find it necessary to increase our expenditures in connection with the Lunatic Asylum, Reformatory and similar Institutions, as the other Provinces have had to expend largely increasing amounts for these purposes. I notice that the Provincial Treasurer of Ontario in his last budget speech stated that since Confederation Ontario had spent on Insane and Idiot Asylums, Deaf, Dumb, and Blind Institutes, and on the Central Prison and Reformatories \$3,423,855.00, and for the maintenance of the same during same time \$8,768,344.00, making a total expenditure of \$12,187,199.00 for the maintenance of the criminal and unfortunate mentally-afflicted population.

Our expenditures in connection with these various institutions will be conducted as economically as careful management can suggest. A comparison of the cost of maintaining the

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Lunatic Asylum during the past year, with the last full year under the late Government will show what has already been done in this direction. For twelve months in 1886-7 the average number of inmates was eighty-one and a half against ninety-seven in 1889. The Salaries for 1886-7 cost \$8,925.00, a rate per head of \$109.50, against \$9,618.78 a rate per head of \$99.16. In Expenses the rate per head under the management of the late Government was \$45.18, and in 1889 only \$25.34. Maintenance in 1886-7 cost \$133.12, and in 1889 \$107.18. The total rate per head for Keep of Lunatics in 1886-7 was \$287.80, against \$231.63 in 1889, figures which scarcely require comment.

For the Department of Education a grant of \$120,000 was asked; last year \$125,342.95 was expended. The latter included a grant to the University, which is not incorporated in the present estimate. The University grant will come down later. The total amount asked to be voted is \$686,571.26, against \$514,476.55 expended last year. Among the Specially Authorized items of estimated expenditure is \$75,600.00 interest on debentures, \$15,000.00 on Half-Breed Mortgages.

The total amount paid on account of Half-Breed Mortgages to date is \$76,679.38, leaving in principal \$17,756.95, and in interest say \$3,500.00, or a grand total due of \$21,256.95, the full figures for which, when fully settled up, will be about \$97,936.83.

The other items under the head of Specially Authorized are Railway Commissioner's interest, \$98,550.00; Railway Construction, \$56,000.00, and Railway Aid \$463,000.00. This makes the total estimated expenditure \$1,095,471.26, against \$1,454,290.57 last year.

In making comparisons between the expenditures made by the late and those made by the present Government, I omitted reference to the comparative cost of running the Audit Office. In 1885-6 the Salaries and Expenses of this office amounted to \$4,000.00, in 1886-7 to \$4,175.00, but in 1889 only to \$1,652.54. The late Government found it necessary to keep an Auditor and Assistant Auditor at a cost for salaries of \$2,800.00, while the work of the past year has been done with greater efficiency by the present Auditor at a salary of \$1,500.00. Of the other items of expenditure of this office I might mention that in 1885-6 the cost of Postage and Telegraphing was \$98.54, in 1886-7 \$94.49,

while in 1889 it only cost *fifteen cents*. Stationery in 1885-6 cost, \$159.40; in 1886-7, \$50.00, but in 1889, only \$13.84. Printing in 1886-7 cost \$128.65, but in 1889 only \$50.95.

I will now make brief reference to the Revenue which we expect to receive during the coming year :—

Subsidy.....	\$435595 74
Fines.....	2400 00
Fees	800 00
County Court fees.....	5000 00
Land Titles—general fees	60000 00
Marriage Licenses.....	1300 00
Manitoba Gazette.....	3500 00
Sale of Statutes	400 00
Law Stamps.....	9000 00
Liquor Licenses.....	26000 00
Private Bills.....	700 00
Provincial Lands.....	8000 00
Keep of Lunatics.....	1500 00
Refunds	2000 00
Interest.....	40000 00
Three per cent. Gross Earnings, M. & N. W. R. and M. S. W. R.....	6000 00
Advance on School Lands.....	15000 00
Sundry Revenues	3000 00
Half-Breed Mortgages	1000 00
Maintenance of Deaf and Dumb Institute.....	400 00
Maintenance of Home for Incurables.....	500 00

A total of.....\$622095 74

Among the items are: Subsidy, \$435,595.74; Fines, \$2,400.00, against \$2,395.25 last year; Fees, \$800.00, against \$796.25; County Court fees, \$5,000.00, against \$4,638.05; Land Titles Offices, \$60,000.00, against \$19,458.98; Marriage Licenses, \$1,300.00; *Manitoba Gazette*, \$3,500.00; sale of Statutes, \$400.00; Law Stamps, \$9,000.00; Liquor Licenses, 26,000.00; Private Bills, \$700.00; Provincial Lands, \$8,000.00; Keep of Lunatics, \$1,500.00; Refunds, \$2,000.00; Interest, \$2,000.00; Interest, \$40,000.00; 3 per cent. Gross Earnings, \$6,000.00; Advance on School Lands, \$15,000.00; Sundry Revenues,

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\$8,000.00 ; Half-Breed Mortgages, \$1,000.00 ; Deaf and Dumb Institute, \$400.00 ; Home for Incurables, \$500.00—making a total of \$622,074.00.

This with revenue from the interest from railways, loans to municipalities, Land Titles Assurance fund and other sources, would swell the total revenue to \$967,993.00.

Having shown that by strict economy we have been able to meet the cost of Civil Government, and also devote large sums to objects of direct public benefit, and have succeeded in making our revenue meet our expenditure, I cannot overlook the fact that the ever-increasing requirements of a large and rapidly developing Province must soon necessitate a large increase in our expenditures—even now there are many public institutions and enterprises worthy of assistance, to which the Government would gladly give increased aid if the revenue would admit of it.

In all matters pertaining to the development of our Province and its resources, the Government desire to pursue a broad and liberal policy ; in railroad extension, in assistance to municipalities, in aiding public institutions, immigration and other projects, the development of the country demands it ; but only the slightest consideration of the nature of these projects will show, that in order to carry out such a policy there must be a largely increased revenue. And the first step in this direction, as referred to in the Speech from the Throne, should be towards securing a fair compensation for our public lands.

To show how disproportionate is the paltry sum of \$100,000.00, which we now receive in lieu of public lands, when compared with the extent and value of those lands, I would cite the value of the bonus so liberally given to the Manitoba Southwestern Railway. I again quote from Mr. Van Horne's report, page 21, where he states that the Company still held in this Province 1,809,424 acres of land, after reporting sales of 65,671 acres during the previous two years and four months.

The Company therefore held, according to this Statement, 1,875,095 acres, which at the value placed upon them by Mr. Van Horne of \$4.50 per acre, would amount to a total value of \$6,242,931.30. This sum at 5 per cent. would yield an annual revenue of \$312,146.55 ; and this is what our paternal Govern-

ment can afford to give away as bonus to a line of less than 250 miles in Southern Manitoba, while in lieu of all our Manitoba Lands they give this Province the sum of \$100,000.00.

Ontario realized over one million dollars for each of the two past years, the average for the last eleven years has been \$972,000.00, and the Provincial Treasurer in his last Budget Speech announced that the Province might confidently look forward to a continuance of the revenue from Crown Lands, with a certainty that it would not be diminished.

Quebec estimates realizing this year a revenue of \$1,000,000.00 from her lands. British Columbia has the control of her own Public Lands and besides gets an annual grant of \$100,000.00 from the Dominion Government for the C. P. R. right of way.

But when we consider the extent of the lands in our Province, the ridiculously disproportionate amount of this subsidy will be still more apparent. Exclusive of Lakes and Rivers, Manitoba has an acreage of 66,689,920 acres, valued at one dollar per acre would represent that sum in dollars, and 5 per cent. on that amount would yield over three millions of dollars per annum. Or there are 504,203 square miles of lands, so that our subsidy does not amount to one dollar per square mile.

As this is the only source to which we can look for any material increase in our revenue, it behoves us to take every means in our power for pressing our claims upon the Dominion Government towards obtaining our just rights in this most important matter.

The statements which I have made I think are sufficient to convince this House and the country that we have accomplished very much and have given practical effect to the policy upon which we started, while carefully keeping within the limits of our finances. By means of important reforms we have been enabled to distribute our resources, in the direct interests of the country, to an extent hitherto unknown in our Province; and while endeavoring in the future to continue and make still further progress in this direction, we would ask this House and the Country to give due consideration to this fact, that the policy of largely subsidizing public enterprises, inevitably entails largely increased liabilities; which must at some time in the future be met, and it would be unwise to attempt too much in

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this direction until we receive a very material increase to our revenue. Until that is attained our zeal towards progress should be tempered with caution.

So long as we remain guardians of the interests of the people, it will be the aim of this Government to discharge that trust with the wisdom and prudence of men who fully realize their responsibilities.